



**Buffalo and Erie County Regional Development Corporation
Board of Directors Meeting**

August 23, 2017

@ 9:00 a.m.

95 Perry Street

5th Floor - ESD Conference Room

Buffalo, New York 14203

- 1.0 Call to Order**
- 2.0 Approval of Minutes**
 - 2.1 Approval of the June 28, 2017 Minutes of the Joint Annual Board of Directors and Meeting of the Membership (Pages 2-3)
- 3.0 Reports / Action Items / Information Items:**
 - 3.1 Financial Report (Pages 4-7)
 - 3.2 RDC Loan Status Report/Closing Report (Page 8)
 - 3.3 Finance & Audit Committee Update (Information) (Page 9)
 - 3.4 Banking Request for Proposal (Action) (Pages 10-13)
- 4.0 Adjournment - Next Meeting September 27, 2017**

**ANNUAL MINUTES OF THE
BOARD OF DIRECTORS
OF THE
BUFFALO AND ERIE COUNTY REGIONAL
DEVELOPMENT CORPORATION
(RDC)**

DATE AND PLACE: June 28, 2017, at the Erie County Industrial Development Agency, 95 Perry Street, 5th Floor ESD Conference Room, Buffalo, New York 14203

PRESENT: James F. Doherty, Dottie Gallagher-Cohen, Thomas Grys, Tyra Johnson, Richard Lipsitz, Jr., Hon. Joseph C. Lorigo, David L. Lowrey, John J. Mudie, Hon. Glenn R. Nellis, Louis Panzica, Sister Denise Roche, and Hon. Barry A. Weinstein

EXCUSED: Hon. Diane Benczkowski, Rev. Mark E. Blue, Hon. Byron W. Brown, Hon. Joseph H. Emminger, Brenda W. McDuffie, Hon. Mark C. Poloncarz, Hon. Darius G. Pridgen and Paul V. Vukelic

OTHERS PRESENT: Steve Weathers, Chief Executive Officer; John Cappellino, Executive Vice President; Mollie Profic, Treasurer; Karen M. Fiala, Assistant Treasurer; Gerald Manhard, Chief Lending Officer, and Robert G. Murray, Secretary

GUESTS: Maria Whyte, Deputy County Executive; Andrew Federick, Erie County Senior Economic Development Specialist

There being a quorum present at 9:20 a.m., Mr. Lipsitz, in the absence of the presence of the Chair, called the meeting to order.

MINUTES

The minutes of the May 24, 2017 Meeting of the Board of Directors of the RDC were presented. Mr. Doherty moved, and Mr. Lowrey seconded to approve of the minutes. Mr. Lipsitz called for the vote and the minutes were unanimously approved.

REPORTS/ACTION ITEMS/INFORMATION ITEMS:

Financial Report. Ms. Profic reviewed the May 2017 financial statements noting the balance sheet shows that the RDC finished the month of May with total assets of \$18,400,000 and net assets of \$18,300,000. Ms. Profic noted that the monthly income statement reports net income of \$800 for May. Operating revenue was slightly above budget at \$38,000. Total expenses were under budget by \$3,500. On a year to date basis, Ms. Profic noted that the income

statement shows revenue of \$187,000, slightly under budget for the year, along with expenses of approximately \$177,000, being \$53,000 under budget. The result is net income of \$10,500 through May, 2017. Mr. Lipsitz directed that the report be received and filed.

Annual Report of the Directors. As required under Section 519 of the New York State Not-For-Profit Corporation Law, Ms. Profic presented an annual report to its members including (1) information on the assets and liabilities of the RDC as of the end of the prior fiscal year, (2) the principal changes in assets and liabilities during the prior fiscal year, (3) the revenues or receipts of RDC during the prior fiscal year, (4) the expenses or disbursements of RDC during the prior fiscal year, and (5) the number of members of RDC as of the date of this report. Ms. Profic noted that items 1-4 are satisfied by the audited financial statements, approved by this board at the March 22, 2017 meeting. The final requirement is to report that there are 23 membership positions, the same as what was recorded in last year's annual report. Mr. Lipsitz directed that the report be received and filed.

RDC Loan Status Report/Closing Report. Mr. Manhard presented this report. Mr. Lipsitz directed that the report be received and filed.

Nominating Committee Update: Election of Officers/Committee Appointments. Mr. Lipsitz presented the proposed 2017-2018 ECIDA/RDC/ILDC board committee and officer positions. Mr. Mudie moved and Mr. Lorigo seconded to approve of the committee member and officer positions as presented. Mr. Lipsitz called for the vote and the 2017-2018 ECIDA/RDC/ILDC board committees and officer positions were unanimously approved.

There being no further business to discuss, Mr. Lipsitz adjourned the meeting at 9:28 a.m.

Dated: June 28, 2017

Robert G. Murray, Secretary

Regional Development Corporation

Financial Statements

As of July 31, 2017

REGIONAL DEVELOPMENT CORPORATION ("RDC")

Balance Sheet

July 31, 2017

| | July 2017 | June 2017 | December 2016 |
|-------------------------------------------|----------------------|----------------------|----------------------|
| ASSETS: | | | |
| Restricted Cash** | \$ 8,454,436 | \$ 8,482,316 | \$ 2,414,368 |
| Sequestered Cash** | - | - | 6,482,286 |
| Direct Loans * | 10,081,790 | 10,015,366 | 9,757,152 |
| 50/50 Bank Participation Loans * | 315,002 | 322,806 | 355,227 |
| Reserve for Loan losses | (345,912) | (345,912) | (299,083) |
| Total Loan Assets, net | <u>10,050,880</u> | <u>9,992,261</u> | <u>9,813,296</u> |
| TOTAL ASSETS | <u>\$ 18,505,315</u> | <u>\$ 18,474,577</u> | <u>\$ 18,709,950</u> |
| | | | |
| LIABILITIES & NET ASSETS | | | |
| Accounts Payable | \$ 3,000 | \$ 3,000 | \$ 16,757 |
| Due to ECIDA | 167,530 | 137,501 | 361,291 |
| Total Liabilities | <u>170,530</u> | <u>140,501</u> | <u>378,048</u> |
| Restricted Fund Balance | <u>18,334,785</u> | <u>18,334,076</u> | <u>18,331,902</u> |
| TOTAL LIABILITIES & NET ASSETS | <u>\$ 18,505,315</u> | <u>\$ 18,474,577</u> | <u>\$ 18,709,950</u> |

| * Loan Portfolio Summary: | July 2017 | June 2017 | December 2016 |
|-------------------------------------|-----------|-----------|---------------|
| # of Direct Loans | 47 | 47 | 48 |
| # of 50/50 Bank Participation Loans | 4 | 4 | 6 |
| | <u>51</u> | <u>51</u> | <u>54</u> |

** Cash is invested in interest bearing accounts at KeyBank. The maximum FDIC insured amount is \$250,000, with the remainder collateralized with government obligations by the financial institution.

REGIONAL DEVELOPMENT CORPORATION ("RDC")
Income Statement
 Month of July 2017

| | Actual vs. Budget | | |
|-------------------------------|-------------------|-----------------|-------------------|
| | Actual | Budget | Variance |
| REVENUES: | | | |
| Interest Income - Loans | \$ 35,855 | \$ 35,000 | \$ 855 |
| Interest Income - Cash & Inv. | 661 | 687 | (26) |
| Administrative Fees | - | 1,250 | (1,250) |
| Other Income | - | 625 | (625) |
| Total Revenues | <u>36,516</u> | <u>37,562</u> | <u>(1,046)</u> |
| EXPENSES: | | | |
| Management Fee - ECIDA* | \$ 27,917 | \$ 27,917 | \$ 0 |
| Provision for Loan Losses | - | - | - |
| Rent & Facilities Expenses | 1,500 | 1,500 | 0 |
| Professional Services | 5,702 | 4,167 | 1,535 |
| General Office Expenses | 571 | - | 571 |
| Other Expenses | 117 | 271 | (154) |
| Total Expenses | <u>35,806</u> | <u>33,854</u> | <u>1,952</u> |
| NET INCOME/(LOSS): | <u>\$ 709</u> | <u>\$ 3,708</u> | <u>\$ (2,998)</u> |

* Represents an allocation of salary and benefit costs from the ECIDA based on time charged to RDC. The amount booked reflects 2017 budgeted figures.

REGIONAL DEVELOPMENT CORPORATION ("RDC")

Income Statement

Year to Date: July 31, 2017

| | Actual vs. Budget | | | Actual vs. Prior Year | | |
|-------------------------------|-------------------|--------------------|------------------|-----------------------|------------------|--------------------|
| | Actual | Budget | Variance | Actual | Prior Year | Variance |
| REVENUES: | | | | | | |
| Interest Income - Loans | \$ 246,722 | \$ 245,000 | \$ 1,722 | \$ 246,722 | \$ 237,430 | \$ 9,292 |
| Interest Income - Cash & Inv. | 3,666 | 4,808 | (1,142) | 3,666 | 921 | 2,745 |
| Administrative Fees | 6,188 | 8,750 | (2,563) | 6,188 | 16,313 | (10,126) |
| Other Income | 9,141 | 4,375 | 4,766 | 9,141 | 8,435 | 706 |
| Total Revenues | 265,716 | 262,933 | 2,783 | 265,716 | 263,099 | 2,617 |
| EXPENSES: | | | | | | |
| Management Fee - ECIDA* | \$ 156,417 | \$ 195,417 | \$ (38,999) | \$ 156,417 | \$ 162,583 | \$ (6,166) |
| Provision for Loan Losses | 52,299 | 100,000 | (47,701) | 52,299 | (8,639) | 60,938 |
| Rent & Facilities Expenses | 10,501 | 10,500 | 1 | 10,501 | 9,917 | 584 |
| Professional Services | 27,486 | 44,567 | (17,080) | 27,486 | 27,635 | (149) |
| General Office Expenses | 950 | - | 950 | 950 | - | 950 |
| Other Expenses | 15,180 | 1,896 | 13,284 | 15,180 | 1,226 | 13,954 |
| Total Expenses | 262,833 | 352,379 | (89,546) | 262,833 | 192,722 | 70,111 |
| NET INCOME/(LOSS): | \$ 2,883 | \$ (89,446) | \$ 92,329 | \$ 2,883 | \$ 70,377 | \$ (67,494) |

* Represents an allocation of salary and benefit costs from the ECIDA based on time charged to RDC. The amount booked reflects 2017 budgeted figures.

RDC Loan Closings 2017

| Project Name | Loan Amount | Jobs at App | Projected Year 3 Jobs | Project City | Closing Date | Project Product |
|----------------------------|-------------|-------------|-----------------------|--------------|--------------|-----------------|
| HLM Contracting | \$ 30,000 | 1 | 1 | Buffalo | 1/19/2017 | Micro Loan |
| Sherex Fastening Solutions | \$ 750,000 | 43 | 50 | Tonawanda | 3/24/2017 | RDC Loan |
| Clearview Social | \$ 300,000 | 7 | 10 | Buffalo | 3/31/2017 | RDC Loan |
| Radio One Buffalo, LLC | \$ 187,500 | 0 | 4 | Cheektowaga | 3/24/2017 | RDC Loan |

| | | | |
|-------------------|--------------|----|----|
| 4 Projects Closed | | | |
| 14 Jobs Projected | \$ 1,267,500 | 51 | 65 |

Total:



To: ECIDA, RDC & ILDC Board of Directors
From: Michael Szukala, Chair
Date: August 23, 2017
Re: Finance & Audit Committee Report

In accordance with its Committee Charter, the Finance & Audit Committee is required to “report its actions and recommendations to the Board at each regular meeting of the Board following a meeting of the Finance and Audit Committee and when otherwise requested by the Board”. This report is prepared to satisfy this requirement.

A joint meeting of the ECIDA, RDC & ILDC Finance & Audit Committee was held on August 17, 2017. The following items were reviewed:

1) Banking Request for Proposals

Mollie Profic, Controller, reported on the five proposals that were received in response to ECIDA & Related Entities’ Banking RFP. Following discussion, the Finance & Audit Committee recommended that the Board approve the selection of M&T Bank as the primary bank for ECIDA, RDC, and ILDC.

2) Bethlehem Steel Site Transaction

Mollie Profic, Controller, reported on the status of the Bethlehem Steel Site land acquisition. To date, \$2.6 of the \$6.7 million granted to ILDC from ECIDA’s UDAG Fund have been utilized toward the land purchase and related legal costs.

3) Financial Report

Mollie Profic, Controller, gave an update on the status of ECIDA’s financials with respect to the annual budgets for 2017.





MEMORANDUM

TO: ECIDA, RDC & ILDC Boards of Directors
FROM: Mollie Profic, Controller & Treasurer
SUBJECT: Banking Request for Proposals
DATE: August 23, 2017

In accordance with the ECIDA's Professional Services Request for Proposals (RFP) Process, ECIDA and its affiliated entities have conducted a joint RFP for banking services.

Request for Proposal Process:

The top ten largest banks in Erie County as ranked by the Business First Book of Lists were contacted to inquire whether they have a government banking area, three did not. RFPs were sent to eight banks, seven from the top ten largest banks and one bank was sent the RFP based on past verbal expression of interest. Ads were placed in The Buffalo News and The Challenger Community News. Notice of the RFP was also posted on the ECIDA's website.

Five responses to the RFP were received as follows:

- 1) Community Bank N.A.
- 2) Citizens Bank
- 3) Evans Bank N.A.
- 4) KeyBank N.A.
- 5) M&T Bank

Bank of America, Five Star Bank, and JP Morgan Chase did not respond.

Evaluation Process:

An internal ECIDA staff committee composed of Bradley Bach, Jerry Manhard, Mollie Profic, and Pat Smith scored the proposals based on the following criteria as specified in the RFP:

- 1) Proposed Account Structure / Investment Program (50% of total score)
- 2) Qualifications, public sector banking experience and office location of the individuals to be assigned (25% of total score)

3) Public Sector experience, CRA rating and local branch network of Financial Institution (25% of total score)

Based upon the first-round score ratings, a short-list of three banks was developed. The staff committee requested the three banks to answer additional questions to clarify their proposals. After receiving answers to those questions, the top two were still extremely close. The staff committee then met with the top two banks to view a demonstration of their web banking system and ask additional questions.

Results:

The internal staff committee unanimously recommends M&T Bank due to the following:

- M&T offered competitive interest rates and the highest earnings credit rate.
- M&T has a dedicated government banking team headquartered in Buffalo. The principal relationship manager for ECIDA has over 11 years of government banking experience. Clients include other IDAs, state agencies, counties, and public authorities.
- M&T Bank offered a no service charge proposal if they were selected as the prime deposit bank.
- M&T has received an “outstanding” CRA rating since 1989.
- M&T offers a dedicated project management team to assist us with our banking transition. The committee also felt M&T’s web-based banking, transaction services, and positive pay features were superior.

On August 17, 2017, the Joint Finance & Audit Committee reviewed the RFP results and recommended that their respective Boards approve the selection of M&T Bank as the prime bank of the ECIDA.

Resolution:

See attached.

**RESOLUTION OF THE
BUFFALO AND ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION
REGARDING DEPOSITS OF MONEY AND THE INVESTEMENT OF FUNDS**

WHEREAS, the Buffalo and Erie County Regional Development Corporation (the “RDC”) desires to adopt a resolution which will provide the necessary authority for the RDC to fully comply with the applicable provisions of Section 10 and Section 11 of the New York General Municipal Law, as applicable, with respect to deposits and investments of public money in the name of the RDC for use in normal business operations, in the furtherance of the corporate purposes of the RDC; and

WHEREAS, in accordance with the RDC’s Professional Services Requests for Proposals Process (the “RFP Process”) adopted on September 8, 2008, the RDC has conducted an RFP for Banking Services, entitled “Joint Request for Proposals for Public-Sector Cash Management & Investment Services” (hereinafter referred to as the “Banking Services RFP”); and

WHEREAS, the Banking Services RFP was submitted to the ten largest banks located in Erie County and noticed on the RDC’s website; and

WHEREAS, Community Bank N.A., Citizens Bank, Evans Bank N.A., KeyBank N.A. and M&T Bank responded to the Banking Services RFP; and

WHEREAS, staff of RDC affiliate Erie County Industrial Development Agency (the “Agency”) reviewed and scored the Banking Services RFP responses and a short list of three banks was selected to answer additional questions after which the Agency staff requested two of the three banks to demonstrate their web banking system and to answer additional questions to clarify their proposals; and

WHEREAS, Agency staff unanimously recommends M&T Bank as the prime bank, to provide banking, cash management, and investment services to the RDC; and

WHEREAS, on August 17, 2017, the RDC’s Finance & Audit Committee reviewed the Banking Services RFP process, the Agency’s staff memorandum regarding the recommendation of M&T Bank, and unanimously resolved to recommend to the RDC that M&T Bank be chosen as the prime bank to provide banking, cash management, and investment services to the RDC.

NOW, THEREFORE, BE IT RESOLVED BY THE BUFFALO AND ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION, AS FOLLOWS:

Section 1: The RDC hereby affirms that it is hereby authorized to open and close such bank and investment accounts and to maintain such banking relations as may be determined by the President/Chief Executive Office (“CEO”), from time to time, to be necessary or appropriate for the transaction of the RDC’s business.

Section 2: Effective with the adoption of this resolution, the RDC hereby finds, in comparison to the other Banking Services RFP respondents, that M&T requires no service charges, has greater governmental banking experience, an “outstanding” CRA rating, and a dedicated project management team to assist with the banking transition as well as web-based banking, transaction services and positive pay features superior to the other Banking Services RFP respondents and as such, hereby designates M&T Bank as the RDC’s official depository of funds and to provide cash management and investment services as described within the Banking Services RFP.

Section 3. Each bank and investment account authorized by this resolution shall provide that no withdrawals shall be made from such accounts nor shall any checks be drawn thereon unless withdrawal slips or checks (as applicable) are signed by such individual or individuals as may be designated by both the Chair and the CEO.

Section 4. Each bank and investment account authorized by this resolution shall adhere to the current Investment and Deposit Policy as approved by the RDC.

Section 5. This Resolution shall take effect immediately and shall remain in effect and be binding until revoked by written notice given by the RDC to M&T Bank.

ADOPTED: August 23, 2017